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# FOREIGN CROPS AND MARKETS

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## L A T E C A B L E S

Greece 1938 production estimates placed as follows, with 1937 comparisons in parentheses: Wheat 35,935,000 bushels (32,375,000), corn 7,834,000 (10,596,000), tobacco 84,943,000 pounds (141,441,000). Area sown to corn estimated at 670,000 acres against 652,000 in 1937. (International Institute of Agriculture, Rome.)

Argentina third official estimate of 1938-39 area sown to grain reported as follows, with 1937-38 comparisons in parentheses: Wheat 20,868,000 acres (19,219,000), rye 2,254,000 (2,185,000), barley 2,053,000 (1,942,000), oats 3,361,000 (3,254,000), flaxseed 6,607,000 acres (7,023,000). (Buenos Aires office, Bureau of Agricultural Economics.)

London colonial wool sales, sixth series for 1938, opened November 23. Compared with closing of preceding series on September 30, prices of greasy merinos were par to 5 percent lower, scoured merinos par to 5 percent higher, fine greasy crossbreds par, medium and low greasy crossbreds 5 to 10 percent higher, scoured crossbreds par to 5 percent higher, fine slipes par, medium and low slipes 10 percent higher if long, 5 percent if short, all greasy lamb's slipes fully firm. Merinos taken chiefly by continental buyers, but considerable withdrawals. Most crossbreds taken by Bradford buyers. No American buying. Sales continued on November 25 with general tone of market cautions. Crossbreds went chiefly to British buyers and merinos to Swiss, French, Belgian and Czechoslovak bidders, with a few to German buyers. American bidders still silent. (London office, Bureau of Agricultural Economics.)

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NOTICE: A supplement giving the annual statistics for 1937-38 on United States agricultural trade with noncontiguous territories and agricultural reexports is available on request.

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### Canadian Fall-sown Acreage of Wheat Declines

The first official estimate of the area sown to winter wheat in Canada for the 1939 crop is estimated at 799,000 acres by the Dominion Bureau of Statistics at Ottawa. This is a reduction of 2 percent from the 815,000 acres sown to winter wheat for harvest this year and compares with average sowings for the 1933-1937 crops of 669,000 acres. The condition of the new crop on October 31, expressed in percentage of the long-time average yield, was 98 as against 93 on the corresponding date last season. Sowings of winter rye were placed at 596,000 acres, a gain of 2 percent over the 1938 fall-sown area. See table, page 401. The condition of the crop on October 31 was estimated at 91 percent compared with 84 last year. Fall plowing for the 1939 crops had made better progress this fall than last and was reported to be 54 percent completed compared with 45 percent on October 31, 1937.

The second official estimate of the 1938 potato crop of Canada was placed at 59,621,000 bushels compared with 70,912,000 bushels produced in 1937. Poor yields were obtained in all the Provinces except Prince Edward Island and Saskatchewan.

### Germany Barters Industrial Machinery for Polish Cereals

A barter arrangement recently completed between the Governments of Poland and Germany provides for the importation by Poland of \$23,000,000 worth of German-made industrial machinery in exchange for German purchases of \$23,000,000 worth of Polish cereals, according to a report received in the Bureau of Agricultural Economics from the American Embassy at Warsaw.

Poland is to place orders for the industrial machinery during the next 2-1/2 years, but acceptance of deliveries may be stretched over a period of 4 years. Germany in turn agrees to accept payment for the machinery by importing Polish agricultural products, mainly cereals, at a rate sufficiently in excess of normal imports to liquidate the total debt, including principal, interest, and other charges, over a period of 9 years.

Since Germany is an importer of around 2 million tons of cereals annually, the credits established by the arrangement give Poland an extremely valuable outlet for surplus grains. The assured outlet is especially welcomed by Poland because her strenuous efforts to reenter world markets as a grain exporter have been hindered by the prevailing low prices. In fact, Polish grain exports for some time have been made possible only through the maintenance of export subsidies.

It is expected that Germany will take at least 50 percent of Poland's grain export surplus during the next 9 years. As usual, rye

will be the main item involved. It is also expected that the prices for grain shipped to Germany under the agreement will be sufficiently high to make it unnecessary to pay an export subsidy on such shipments. These benefits will be paid for largely by the Polish importers of German industrial machinery.

American exporters of grain to Western European markets may profit from the arrangement, it is stated, since it gives assurance that the Polish grain export surplus will not be a competitive factor in markets outside of Germany for a number of years. Polish grain growers welcome the arrangement, since it assures them of a noncompetitive market at good prices for a substantial part of their surplus. Germany profits from the arrangement through the assurance of an increased supply of cereals on a barter basis for a greatly enlarged Reich while at the same time providing a market for the German machinery industry, which is now on an export basis.

#### Uruguay Establishes Export Subsidy for Wheat and Flour

In order to facilitate the exportation of the wheat surplus, the Government of Uruguay established an export subsidy on September 30 for both wheat and flour, according to a report received in the Bureau of Agricultural Economics from the American Embassy in Montevideo, Uruguay.

The main objective is to equalize wheat prices in Uruguayan and world markets. The decree of September 30 establishing the subsidy provides that the bounty shall apply on exports up to a maximum of about 450,000 bushels of wheat, the surplus still remaining on that date from the 1937-38 crop,

The 1937-38 wheat crop in Uruguay of 16.6 million bushels was exceptionally large, and there was a surplus of almost 4 million bushels. A considerable part of the surplus was disposed of by barter arrangement to Chile in exchange for potatoes and to Peru and Bolivia in exchange for petroleum products. After deducting the quantities of wheat involved in those agreements, there was still a surplus of about 780,000 bushels. No estimate of 1938-39 production has been received. The condition of the crop was good early in November, according to the International Institute of Agriculture at Rome, but heading was only fair with some damage from rust noted. First estimates indicate large seedings this season compared with 1937-38.

Although the subsidy applies only to the surplus remaining from the 1937-38 crop, it is also proposed to maintain the equalization fee for the 1938-39 crop. The subsidy for the existing surplus is not to exceed 10 pesos per ton (17 cents per bushel) for wheat and 10 pesos per quintal (\$2.85 per 100 pounds) for flour. Funds for payment are to be taken by the Bank of the Republic from the Exchange Profit Fund.



The Shanghai Wheat Market

There was no demand for foreign wheat at Shanghai during the month ended November 15, according to a radiogram from the Shanghai office of the Bureau of Agricultural Economics. If domestic wheat prices continue to rise, however, overseas purchases appear probable, since arrivals of domestic grain have been restricted by transportation difficulties and high taxes. Wheat stocks at Shanghai have declined to about 556,000 bushels, and the flour mills have been operating at a reduced rate from that reported a month earlier. Flour shipments during the month were unimportant, although there was some increase in those going to South China. Stocks on hand at Shanghai were estimated at 300,000 bags.

Despite the increase in domestic quotations, local exchange difficulties work to the disadvantage of foreign imports. All business in wheat and flour at Shanghai is transacted by means of checks or orders against blocked bank deposits, which results in a discount of as much as 6.9 percent from Shanghai currency. The nominal price of Australian wheat at Shanghai on November 15 was 61 cents per bushel; domestic wheat was 53 cents. Domestic flour was quoted at 73 cents per bag of 49 pounds; Australian flour, c.i.f. Hong Kong, \$2.85 per barrel. No imports of wheat were made into China during September. Flour imports amounted to 136,000 barrels, of which the United States supplied only 7,000, Australia 70,000, and Japan 49,000 barrels.

Chinese Cotton Crop Below Last Year

The 1938 Chinese cotton crop, including that of Manchuria, is estimated at 2,300,000 bales of 478 pounds, according to Agricultural Commissioner Owen L. Dawson at Shanghai. This compares with the estimated 3,560,000 bales produced in 1937 and the record crop of 5,870,000 bales harvested in 1936. The 55-percent reduction in the crop this year as compared with that of last season is primarily the result of a smaller 1938 acreage. The acreage this season was curtailed because of the unfavorable prices received for the 1937 cotton in some sections, the inability even to sell last year's crop in other areas, and desire to increase food crops in many districts. The Manchurian production in 1938 is forecast at only 73,000 bales compared with 90,600 bales harvested last year.

Cotton exports from China for the 1937-38 crop year ended September 30 were the largest on record, amounting to 522,000 bales of 478 pounds each. This compares with 251,000 bales exported in 1936-37 and 157,000 for the 5-year average during 1931-32 to 1935-36. China in the past has exported principally a coarse or rough type of cotton, largely to Japan, the United States, and Europe. During the 1937-38 season, however, over 85 percent of Chinese exports went to Japan, where most of the season's imports of raw cotton suitable for spinning were permitted. It is

reported that the Japanese plan to export as much as 550,000 bales of Chinese cotton to Japan and 170,000 bales to Manchuria during the 1938-39 marketing season from this year's short crop. Observers in the Orient, however, do not believe such large amounts can be obtained in China.

Mill consumption in China during 1938-39 is forecast at about 1,780,000 bales compared with approximately 1,300,000 bales for the preceding crop year. Mill consumption during 1937-38 was fully 50 percent below that of the previous season because a large number of cotton mills were destroyed or damaged in the Sino-Japanese hostilities. It was reported that less than 10 percent of the cotton mills in China were able to operate without interruption during the 1937-38 season. At the present time, the operation of many of the Chinese mills in various parts of the country has been taken over by Japanese companies. The rebuilt mills at Tsingtao are expected to begin operations in the near future.

Home consumption of raw cotton in China during 1938-39 is expected to continue at a high level, being forecast by the Shanghai office at 1,255,000 bales, or approximately the same as last year.

CHINA: Imports and exports of raw cotton, September 1938,  
with comparisons  
(In bales of 478 pounds net)

Item	September			Crop year		
	1936	1937	1938	October-September		
	Bales	Bales	Bales	Bales	Bales	Bales
Imports						
American.....	815	-	531	54,484	13,551	9,379
Indian.....	4,026	180	1,134	97,429	28,785	19,086
Egyptian.....	459	-	775	28,011	24,591	5,546
Others.....	4,564	70	1,891	9,707	25,315	7,805
Total.....	9,864	250	4,331	189,631	92,242	41,816
Exports.....	5,608	5,432	68,114	189,624	250,708	521,902

Shanghai office, Bureau of Agricultural Economics, and Monthly Returns of the Foreign Trade of China.

Imports of raw cotton into China, including Manchuria, during the 1938-39 season are forecast at 260,000 bales compared with imports into China during 1937-38 of 42,000 bales and into Manchuria of about 125,000 bales. On the basis of the present situation, imports during 1938-39 are expected to be primarily from India, followed by Brazil, the United States, and Egypt. It is reported that about 42,000 bales of foreign cotton, principally Indian, have been purchased since September 1. On November 11, American Middling 7/8 was quoted at Shanghai at 11.13 cents per pound compared with 8.33 cents for Indian Akola and 7.98 cents for Chinese Standard.

MANCHURIA: Imports of raw cotton, June 1938, with comparisons,  
(In bales of 478 pounds net)

Item	June			October-June		
	1936	1937	1938	1935-36	1936-37	1937-38
	Bales	Bales	Bales	Bales	Bales	Bales
American.....	706	260	4,072	3,119	6,887	46,563
Indian.....	5,068	12,514	6,710	52,189	88,494	53,602
Others.....	1	0	739	638	1,179	1,706
Total <u>a/</u> .....	5,775	12,774	11,521	55,946	96,560	101,871

Compiled from the Monthly Returns of the Foreign Trade of Manchoukuo and from figures furnished by the Shanghai office, Bureau of Agricultural Economics.

a/ Excludes imports from China.

The carry-over of cotton in China on October 1 this year was estimated at 1,260,000 bales compared with 650,000 bales on the same date a year ago. The large carry-over from the 1937 harvest was attributed to the low prices and inability to market the crop. The carry-over at the end of the 1938-39 season is expected to be considerably reduced from the amount on October 1 this year.

#### South African Wool Movement Increased

The volume of wool marketed in South Africa and exported so far this year is considerably larger than the corresponding 1937 figures, according to cable advices from the London office of the Bureau of Agricultural Economics. In the period July-October 1938, 69,000,000 pounds of grease wool were received by rail at ports, and 40,000,000 pounds were sold at auction. The corresponding 1937 figures were 48,593,000 pounds and 25,000,000 pounds respectively. Exports of greasy wool from South Africa in the first 4 months of the 1938 season totaled 28,584,000 pounds, an increase of 5 percent over the corresponding 1937 exports. In scoured wool, the 1938 exports totaled 1,841,000 pounds, an increase of 17 percent over the 1937 exports. Unsold stocks at ports on October 31, 1938, were 13.6 percent larger than those of a year earlier. Prices during October 1938 averaged about 19.5 percent under those of October 1937.

#### Bradford Wool Trade Shows Cautious Tone

Uncertainty regarding raw wool values appeared in the early November transactions at Bradford, England, according to Consul E. E. Evans. A large proportion of the trade, he said, apparently believes that lower prices may develop later this year despite the relatively active marketing of wool in Australia at prices which displayed considerable firmness during the season. Sales in Australia so far this season have been large and should have been encouraging to British manufacturers, Consul Evans states.



## WHEAT: Closing Saturday prices of December futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg a/		Liverpool a/		Buenos Aires b/	
	1937	1938	1937	1938	1937	1938	1937	1938	1937	1938	1937	1938
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High c/	108	87	104	83	116	68	127	61	136	70	d/152	d/60
Low c/	86	63	83	59	93	64	107	56	119	60	d/104	d/50
Oct. 29.	97	65	95	62	105	66	118	59	128	63	113	e/51
Nov. 5.	86	64	83	60	93	66	107	57	122	61	108	e/51
12.	92	64	90	60	102	67	116	58	125	64	108	c/54
19.	93	63	91	59	100	66	115	58	119	63	108	54

a/ Conversions at noon buying rate of exchange. b/ Prices are of day previous to other prices. c/ October 1 to November 19, 1938, and corresponding dates for 1937. d/ November and December futures. e/ November futures.

## WHEAT: Weekly weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle a/	
	1937	1938	1937	1938	1937	1938	1937	1938	1937	1938	1937	1938
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High b/	106	66	107	66	129	74	110	66	107	69	92	64
Low b/	91	64	92	64	116	71	98	63	86	66	82	62
Oct. 29.	100	66	102	65	128	74	107	66	101	68	89	64
Nov. 5.	94	64	96	64	116	71	99	63	95	66	85	63
12.	91	65	92	64	116	73	98	65	86	66	82	63
19.	95	65	95	64	118	73	102	65	93	67	85	-

a/ Weekly average of daily cash quotations, basis No. 1 sacked. b/ October 8 to November 5, 1938, and corresponding dates for 1937.

## CANADA: Acreage sown to winter wheat and winter rye, 1933-1939

Date	Winter wheat	Winter rye
	1,000 acres	1,000 acres
1933.....	595	472
1934.....	698	680
1935.....	685	652
1936.....	585	483
1937.....	781	799
1938.....	815	582
1939.....	799	596

FEED GRAINS AND RYE: Weekly average price per bushel of corn, rye, oats, and barley at leading markets a/

Week ended	Corn				Rye		Oats		Barley			
	Chicago		Buenos Aires		Minneapolis		Chicago		Minneapolis			
	No. 3 Yellow	Futures	Futures	Futures	No. 2	No. 3 White	No. 2	No. 2	No. 2			
	1937	1938	1937	1938	1937	1938	1937	1938	1937	1938	1937	1938
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High b/...	138	61	67	52	65	53	117	77	55	34	137	83
Low b/....	53	43	54	45	55	47	67	39	50	23	61	45
			Dec.	Dec.	Dec.	Nov.						
Oct. 22...	63	45	59	45	61	51	72	41	33	25	71	48
29...	58	44	58	46	65	51	73	41	32	24	75	50
Nov. 5...	55	43	57	45	65	48	69	40	32	25	72	49
12...	54	45	55	47	64	47	67	39	31	26	70	49
19...	53	47	54	48	64	c/49	70	41	32	26	72	53

a/ Cash prices are weighted averages of reported sales; future prices are simple averages of daily quotations. b/ For period January 1 to latest date shown. c/ December delivery.

FEED GRAINS: Movement from principal exporting countries

Commodity and country	Exports for year		Shipments, 1938 week ended a/			Exports as far as reported		
	1936-37	1937-38	Nov. 5	Nov. 12	Nov. 19	July 1 to	1937-38 b/	1938-39 b/
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels		1,000 bushels	1,000 bushels
BARLEY, EXPORTS: c/								
United States...	5,153	17,614	31	196		Nov. 12	5,546	2,327
Canada.....	18,880	14,014				Oct. 31	4,846	7,283
Argentina.....	15,265	10,241	0	0		Nov. 19	1,148	0
Danube & U.S.S.R.	26,305	20,050	467	541	425	Nov. 19	13,160	19,516
Total.....	65,603	61,919					24,700	29,126
OATS, EXPORTS: c/								
United States...	912	12,331	4	0		Nov. 12	2,955	2,323
Canada.....	10,690	8,504				Oct. 31	2,441	4,029
Argentina.....	25,034	28,505	75	413	0	Nov. 19	5,796	6,550
Danube & U.S.S.R.	940	160	0	0	0	Nov. 19	160	0
Total.....	37,576	49,500					11,352	12,902
CORN, EXPORTS: d/						Oct. 1 to:		
United States...	432	140,235	251	782		Nov. 12	158	5,041
Danube & U.S.S.R.	25,835	9,790	34	43	69	Nov. 19	51	521
Argentina.....	401,722	134,608	2,386	3,032	2,251	Nov. 19	47,309	24,515
South Africa....	24,781	23,949	600	882	163	Nov. 19	11,988	26,648
Total.....	452,770	308,582					59,506	56,728
United States imports.....	103,670	1,819						

Compiled from official and trade sources. a/ The weeks shown in these columns are nearest to the date shown. b/ Preliminary. c/ Year beginning July 1. d/ Year beginning October 1.

EXCHANGE RATES: Average weekly and monthly values in New York of specified currencies, November 19, 1938, with comparisons a/

Country	Monetary unit	Month					Week ended		
		1936	1937	1938			1938		
		Oct.	Oct.	Aug.	Sept.	Oct.	Nov. 5	Nov. 12	Nov. 19
		Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Argentina...	Paper peso.	32.67	33.03	32.54	32.03	31.79	31.71	31.65	31.36
Canada.....	Dollar.....	100.02	100.02	99.65	99.37	99.06	99.34	99.23	99.10
China.....	Shang.yuan	29.33	29.46	16.62	17.17	16.03	15.83	15.81	15.76
Denmark....	Krone.....	21.87	22.12	21.79	21.44	21.28	21.23	21.19	21.00
England....	Pound.....	489.84	495.51	488.08	480.38	476.85	475.20	474.77	470.47
France.....	Franc.....	4.87	3.35	2.73	2.69	2.67	2.66	2.65	2.63
Germany....	Reichsmark.	40.20	40.16	40.09	39.97	40.05	40.05	40.04	40.04
Italy.....	Lira.....	5.53	5.26	5.26	5.26	5.26	5.26	5.26	5.26
Japan.....	Yen.....	28.61	28.85	28.44	28.00	27.79	27.72	27.66	27.41
Mexico.....	Peso.....	27.75	27.75	19.73	19.46	19.66	19.92	20.06	19.99
Netherlands	Guilder....	53.63	55.28	54.60	53.94	54.39	54.40	54.29	54.22
Norway.....	Krone.....	24.61	24.90	24.52	24.14	23.96	23.90	23.85	23.64
Sweden.....	Krona.....	25.25	25.55	25.16	24.77	24.56	24.50	24.46	24.24
Switzerland	Franc.....	22.99	23.02	22.88	22.60	22.72	22.69	22.66	22.50

Federal Reserve Board. a/ Noon buying rates for cable transfers.

WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries, as given by current trade sources, 1936-37 to 1938-39

Country	Total shipments		Shipments 1938 week ended			Shipments July 1-Nov. 19	
	1936-37	1937-38	Nov. 5	Nov. 12	Nov. 19	1937	1938
	bushels	bushels	bushels	bushels	bushels	bushels	bushels
North America a/.....	231,832	184,720	6,192	6,482	6,355	67,896	99,805
Canada b/.....	196,412	81,378	4,560	4,244	-	c/ 38,557	c/ 58,186
United States d/.....	10,395	83,651	1,154	819	-	c/ 22,864	c/ 29,567
Argentina.....	164,678	66,928	1,012	900	713	14,904	23,749
Australia.....	105,836	127,520	496	561	555	25,708	32,364
U.S.S.R.....	88	42,248	824	952	224	24,704	35,272
Danube and Bulgaria e/	65,544	37,320	848	896	2,272	20,984	11,480
British India a/.....	f/ 16,571	f/ 19,677	0	0	0	9,010	6,280
Total g/.....	584,549	478,413				163,206	207,950
Total European shipments a/.....	484,670	397,656	9,704			h/ 119,128	h/ 159,408
Total ex-European shipments a/.....	127,192	99,400	1,728			h/ 30,744	h/ 38,568

Compiled from official and trade sources. a/ Broomhall's Corn Trade News.

b/ Overseas clearances, and imports into the United States. c/ To November 12 only. d/ Official reports received from 16 principal ports, only. e/ Black Sea shipments only. f/ Official. g/ Total of trade figures includes North America as reported by Broomhall. h/ To November 5.



## Index

	Page		Page
Late cables.....	397	Rye:	
		Area:	
Barley, area, Argentina, 1937,1938	397	Argentina, 1937,1938.....	397
Cereals, barter for German		Canada (winter), 1933-1939	398,403
machinery, Poland, 1939-1942....	398	Condition (winter), Canada,	
Corn, area and production,		Oct. 31, 1938.....	398
Greece, 1937,1938.....	397	Prices, U.S., Nov. 19, 1938....	404
Cotton:		Tobacco, production, Greece,	
Exports, China,		1937;1938.....	397
September 1938.....	400,401	Wheat:	
Imports:		Area:	
China, September 1938.....	401	Argentina, 1937,1938.....	397
Manchuria, June 1938.....	402	Canada (winter), 1933-1939	398,403
Production:		Condition (winter), Canada,	
China, 1937,1938.....	400	Oct. 31, 1938.....	398
Manchuria, 1937,1938.....	400	Export subsidy (incl. flour),	
Textile situation, prospects,		Uruguay, Sept. 30, 1938.....	399
China, 1938-39.....	400	Market conditions,	
Exchange rates, foreign,		Shanghai, Nov. 15, 1938.....	400
Nov. 19, 1938.....	405	Prices:	
Flaxseed, area, Argentina,		Shanghai, Nov. 15, 1938.....	400
1937-1938.....	397	Specified markets,	
Grains:		Nov. 19, 1938.....	403
Barter for German machinery,		Production, Greece, 1937,1938...	397
Poland, 1939-1942.....	398	Shipments, principal countries,	
Movement (feed), principal		Nov. 19, 1938.....	405
countries, Nov. 19, 1938.....	404	Wool:	
Prices (feed), principal		Exports, Union of South Africa,	
markets, Nov. 19, 1938.....	404	July-October 1938.....	402
Machinery (industrial), barter		Market conditions, Bradford,	
for Polish cereals, Germany,		England, November 1938.....	402
1939-1942.....	398	Movement, Union of South Africa,	
Oats, area, Argentina, 1937,1938..	397	July-October 1938.....	402
Potatoes, production,		Sales, London,	
Canada, 1937,1938.....	398	Nov. 23 and 25, 1938.....	397